

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

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TYSONS CORNER

8000 TOWERS CRESCENT DRIVE

SUITE 1200

VIENNA, VIRGINIA 22182

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FACSIMILE

(703) 918-2450

www.kelleydrye.com

DIRECT LINE (703) 918-2316

E-MAIL: mhazard@kelleydrye.com

ORIGINAL

April 12, 2001

RECEIVED

APR 13 2001

VIA HAND DELIVERY

Magalie R. Salas, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

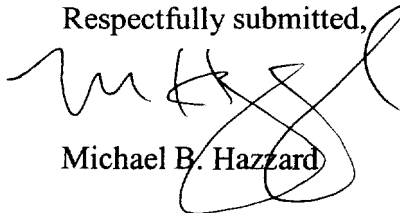
Re: Notice of Oral *Ex Parte* Presentation by Z-Tel Communications, Inc.,
CC Docket No. 96-98

Ms. Salas:

Pursuant to Section 1.1206(b)(1) of the Commission's Rules, Z-Tel Communications, Inc. ("Z-Tel"), by its attorneys, submits this notice of an oral *ex parte* presentation made in the above-captioned proceeding on April 11, 2001. The *ex parte* presentation was made during a meeting with Sarah Whitesell, Legal Advisor to Commissioner Gloria Tristani. The presentation was made by Robert Curtis, President, Z-Tel Network Services, Inc. and Michael B. Hazzard of Kelley Drye & Warren LLP.

During the presentation, Z-Tel discussed its concerns regarding restrictions on the use of the unbundled local switching network element. In accordance with Section 1.1206(b)(1), an original and two copies of this *ex parte* notification is provided for inclusion in the public record of this proceeding. Please direct any questions regarding this matter to the undersigned.

Respectfully submitted,

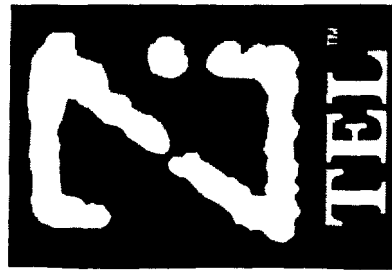


Michael B. Hazzard

Attachment

cc: Sarah Whitesell
International Transcription Service

No. of Copies rec'd 0+2
LIST ABCDE



Changing the Way People Communicate





Investing in Communications

- Z-Tel has invested \$100 Million in software applications over the past 2 ½ years
- We believe competition will emerge from innovation in the application layer rather than legacy infrastructure
- Z-Tel has focused on innovating and investing in *new* capabilities, *not* in replicating existing capabilities (TDM network)
- UNEP makes it possible



What We Sell



Z-Line Home Edition

THE SMART CHOICE IN LOCAL TELEPHONE SERVICE

- Unlimited Local Calling

- Online Address Book



myline.com

- Speed Calling

- 200 Minutes of Long Distance

- Broadcast Messaging

- Find Me

- Three Way Calling

- Caller ID

- One Button Call Return

- Voice Mail

- Z-Alerts

Personalized Weather,
Financial Updates ...and More!





How Home Edition Stacks Up

Monthly Service	Z-Tel™	Any Bell Company
Basic Local Phone Service	Included	\$18.25
Local Calling	Included	\$7.50
Long Distance	200 minutes included	\$20.00
Enhanced Phone Features		
Call Forwarding (Find Me)	Included	\$7.50
Caller ID	Included	
Call Waiting	Included	
Speed Calling	Included	
Three-way Calling	Included	\$13.75 (all four features)
Z-Line Special Features		
Voicemail	Free	6.25
Community Group Messaging	Free	Not available
One-button Call Return	Free	Not available
Online Address Book	Free	Not available
E-mail, e-fax	Free	Not available
Z-Alerts	Free	Not available
Total	\$49.99	\$73.25



Z-Tel Services and Capabilities

Z-Tel Data Center





Z-Line Web Interface Messaging

https://www2.z-tel.com/operations/messages.jsp?folder=INBOX

Home ? Sign Out

Welcome, Kyle. Change [Sign In](#) Direct Number: 813-262-7236 Z-Line™: 813-835-7574 | E-mail: ksbrown@myzline.com

Messaging • Calling • Address Book • Communities • Account • Assistance

VoiceMail
E-mail/E-fax
Notify Me
Z-Line Companion

Voicemail

INBOX(2) **SAVED(5)**

INBOX: 2 messages, 2 new [Check for new messages](#)

		Play	Callback	From (Click for Options)	Date (EST)
!	<input type="checkbox"/>	▶	813-233-4777	Bill Johnson	10/4/00 2:25 PM
!	<input type="checkbox"/>	▶	714-234-5678	Wilma Kansas	10/4/00 10:25 AM
!	<input type="checkbox"/>	▶	408-222-9897	Charlie Owens	10/4/00 2:25 PM
!	<input type="checkbox"/>	▶	615-789-1243	James Thomas	10/4/00 10:25 AM
!	<input type="checkbox"/>	▶	914-224-8756	Jeff Copper	10/4/00 2:25 PM
!	<input type="checkbox"/>	▶	213-457-9837	Anthony Hill	10/4/00 10:25 AM

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*Listen to voice mail on the web or any phone, reply,
forward or check home voice mail instantly at work.*



Z-Line Web Interface Address Book

https://www2.z-tel.com/operations/addressbook.jsp

Home ? Sign Out

Welcome, Jeff. Change Sign In Direct Number: 813-262-3054 | E-mail: jeff_copper@myzline.com

Messaging • Calling • Address Book • Communities • Account • Assistance

Contacts -126 Total

[Pop-up Address Book](#) [Import Contacts](#)
[Lookup Z-Line Members](#) [Add Contacts to Distribution Lists](#)

Display Type * : ☐ Business Card ☒ List
Displayed Address * : ☐ Business ☒ Home

Options
Voicemail:
Find Me:
Web Dial™:

Tools
Quick Start
Z-Line Companion™
Z Internet Access™

All A B C D E F G H I J K L M N O P Q R S T U V W X Y Z
Page: 1 2 >> of 2

* Non-Z-Line members

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Z-Line Web Interface

Z-Alerts

Strategy.com Weather - Select Services - Netscape

File Edit View Go Communicator Help

Bookmarks Location: http://home.strategy.com/Weather/Services.asp

Back Forward Reload Home Search Netscape Print Security Shop Stop

Instant Message WebMail Radio People Yellow Pages Download Calendar Channels

Home Help Sign In

Change Sign In

Messaging • Calling • Z-Alerts • Address Book • Communities • Account • Assistance

Powered by
Strategy.com

Welcome Daffy! [Logout](#)
September 14, 2000

[HOME](#) | [NEWS](#) | [FINANCE](#) | [WEATHER](#)

[VIEW REPORTS](#) | [CHOOSE LOCATIONS](#) | [SELECT SERVICES](#) | [HELP](#) | [ABOUT](#)

QUICK FORECAST

[GO](#)

[Daily Update](#)
[Severe Alert](#)
[Personal Alert](#)
[Weekend Update](#)
[Beach Report](#)
[Summary](#)

Select Services

1. Choose a service from the list on the left.
2. Select a communication device you want messages sent to.
3. Check the days and times you want messages and the locations to be included.
4. Click Save when you're done.

Daily Weather Update [\(Format Service\)](#)

☐ Pager ☐ Mobile ☐ Phone

Day: Time: Location:

10:30 A.M.

The **Daily Weather Update (Preview)** sends the current conditions, the 24 hour and 5-day forecasts for your chosen locations.

The forecast you want to see:

- on the move, in a pager or cell phone message
- at the office, in an email or fax
- at home, in a phone call.

Document: Done



Widening the Gap

Recent Upgrades

Fax Mail Number & Extension

Fax Number: 813-555-1234
Fax Extension: 300144216

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● Fax Mail

● Pop Up Address Book

● Palm VII Integration

● Internet Call Waiting

● Email

3 Z-Tel Contacts Microsoft Internet Explorer

Contacts - 18 Total

[Close Continuous Contact](#)

Display Type: ☐ Business Card ☐ List
Displayed Address: ☐ Business ☐ Home

All [A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#) [N](#) [O](#) [P](#) [Q](#) [R](#) [S](#) [T](#) [U](#) [V](#) [W](#) [X](#) [Y](#) [Z](#)

Page: 1 of 1

* Non-Z-Line members

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myzline .com

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[Voicemail](#) [Email/Fax](#) [Web Mail](#)

2 Messaging Email/Fax

Welcome to the myzline email system

Please take a few moments to enter your details

Your From Name:

Default email reply address:

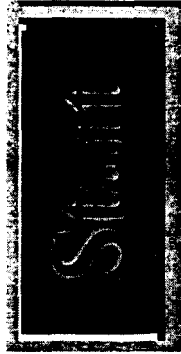
Your Signature:

NetMeeting - Incoming Call

Incoming call from another person.

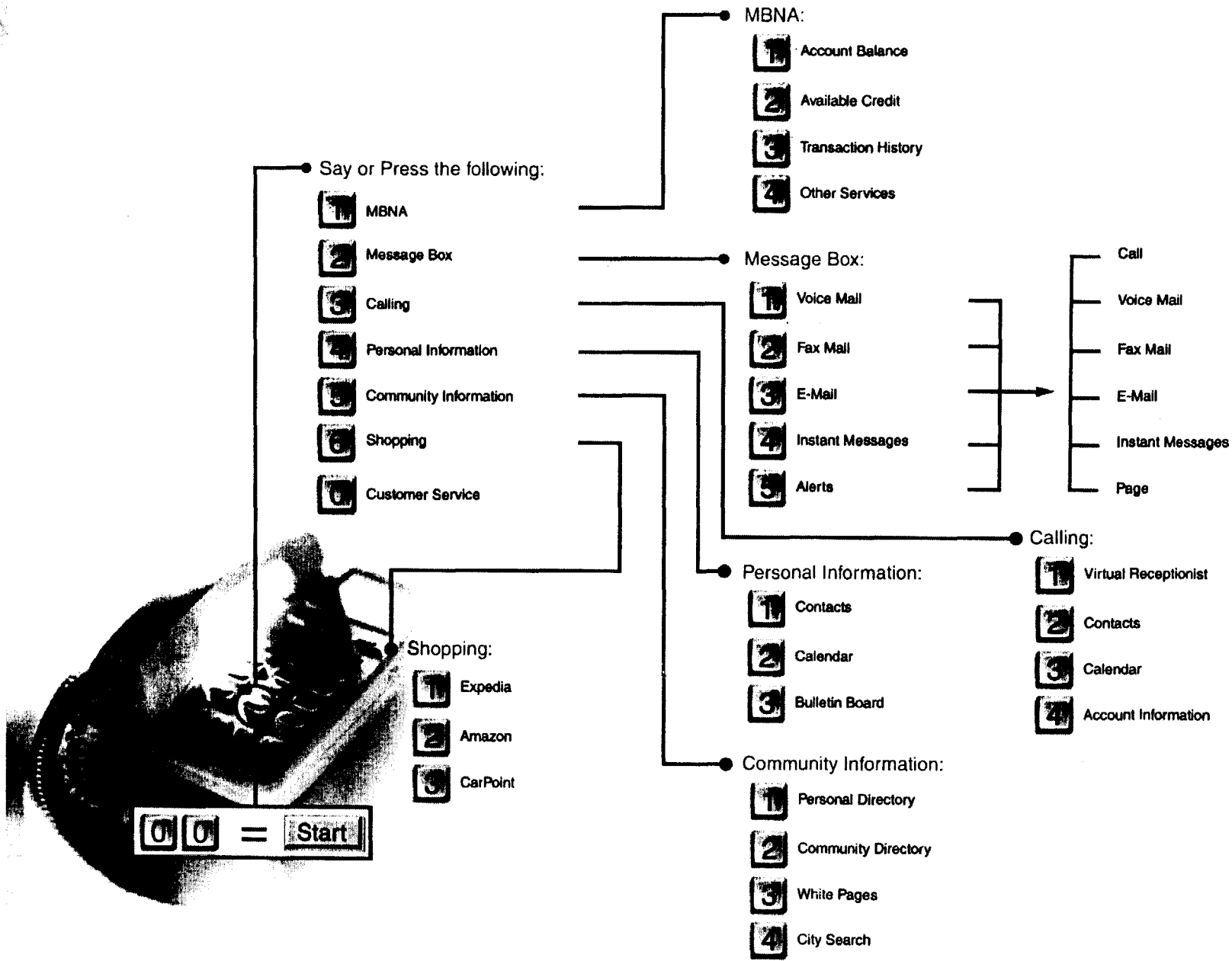


Z-Tel Delivers Intelligent Dial Tone to Any Telephone



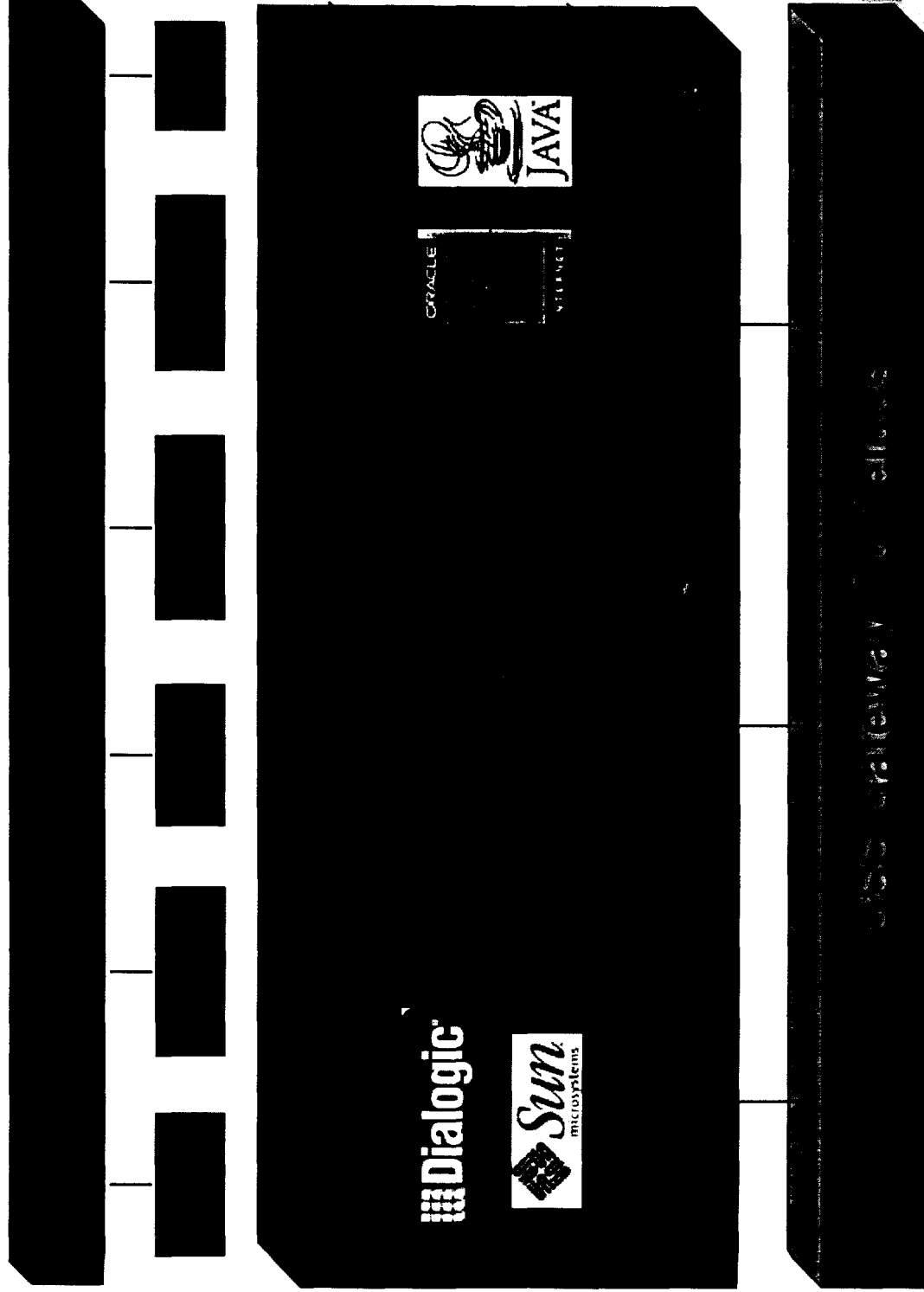


Allowing You to Do All This





Integrated Z-Technology





Z-Tel Infrastructure In Place Nationwide Serving 340,000 Customers

**575 Outbound &
Inbound Sales**

**Regional
Sales Office**

**Capacity
for 2,000
Employees**

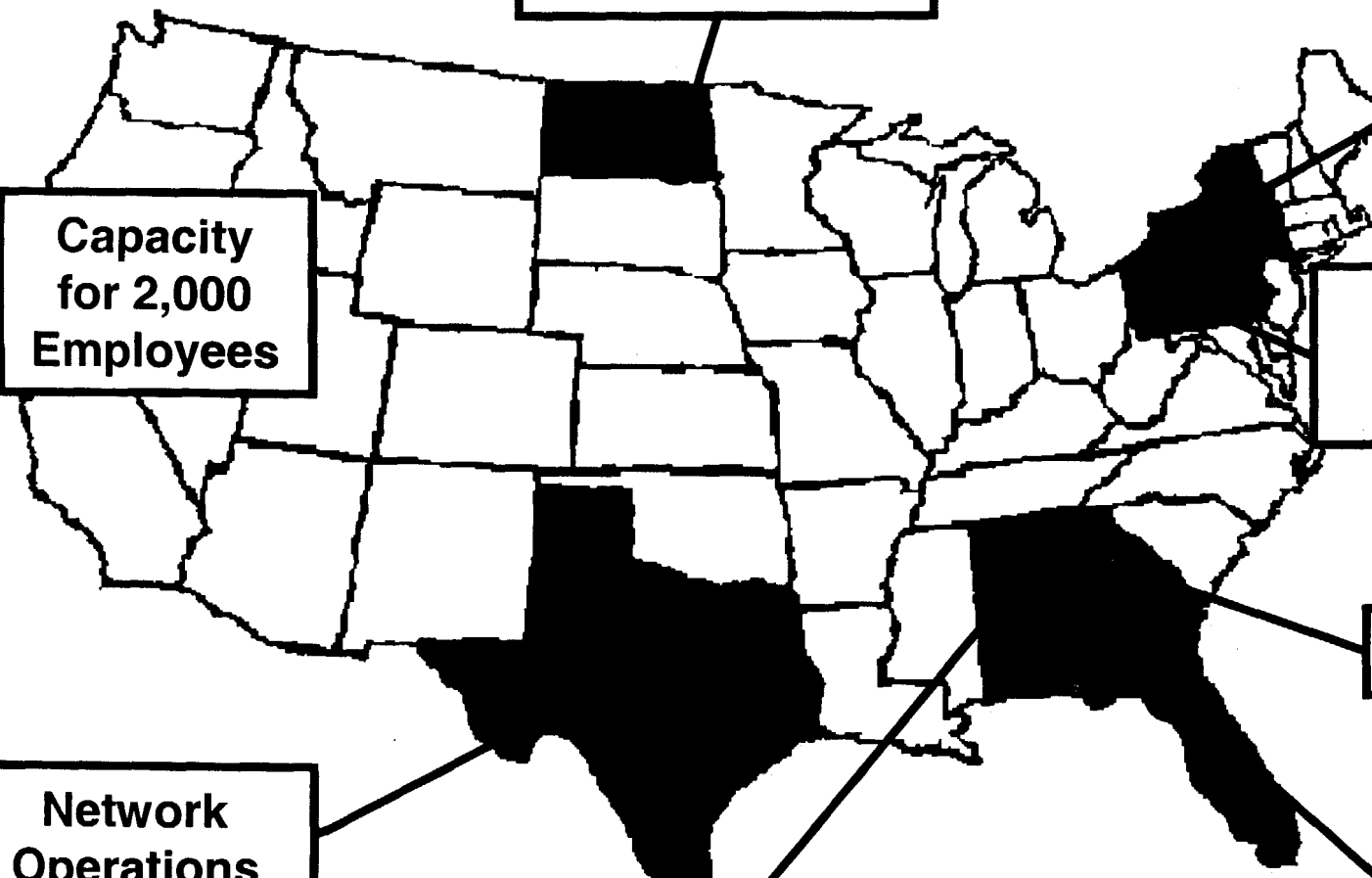
**Network
Planning**

125 R&D

**Network
Operations
Center Under
Construction**

**900 Service &
Provisioning**

**300 HQ, Service &
Administration**





UNEP is Key to Innovation

Application Layer is Key to Telecom Innovation

- UNEP is Essential to Software and Application Innovations
 - Total Service Resale (TSR) Precludes Required Level of Interconnection, and therefore Forces Competitor to Offer Subset of Existing ILEC Service
- Z-Tel's Present and Future Services are made possible by focus on software development
- Z-Tel has invested over \$100MM in Software Development and Infrastructure
- UNEP allows Z-Tel to Focus on Software and Applications
 - UNEP Allows Z-Tel to Create Superset of Incumbent Service Offering
 - UNEP Does not Require Z-Tel to Duplicate Investment in Antiquated Network
 - UNEP Allows Tight Software Integration with PSTN
- Innovation Will Come as Much from Software and Applications as from New Infrastructure – and UNEP is Therefore Key



UNEP is Critical to Any Policy Promoting Innovation and Technology Investment

- UNEP is an Entry Strategy – Not a Substitute for Investment
- UNEP Allows Competitor to Build Upon Legacy Infrastructure of Incumbent
 - Good Policy Should not Require Duplication of Antiquated Switching Equipment
- Resources Can be Focused On:
 - Software and Application Innovation
 - UNEP has allowed Z-Tel to actively do this
 - Deployment of Next Generation Packet Switching
 - Will allow even more sophisticated software development and services benefiting end users
- Resale Would Stifle Innovation and Investment
 - Precludes Required Integration with PSTN
 - Dooms Service Offering to Subset of ILEC Service



UNEP is Key to Mass Market

UNEP = Ubiquity

- UNEP Gives CLEC Presence in Entire ILEC Service Area
- Mass Market Entry Requires Ubiquitous Presence
 - Newspaper, Radio, Billboard Advertising Depends on Ubiquity
 - Within an MSA, Mass Market Carrier Cannot Efficiently Select to Serve Some Customers, but Not Others
 - True of Both Residential and Small Business Service
 - No CLEC is Collocated in ALL Central Offices in an MSA, so They Cannot Provide Ubiquitous Service